



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

RQ-2

March 3, 2005

Timothy R. Terry, Treasurer
Art Small for Senate
P.O. Box 710
Iowa City, IA 52244

Response Due Date:
April 4, 2005

Identification Number: C00401679

Reference: Year End Report (11/22/04 - 12/31/04)

Dear Mr. Terry:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Senate Public Records Office by the response date noted above.** An itemization of the information needed follows:

-The beginning cash balance of this report does not equal the ending balance of your 30 Day Post-General report. Please correct this discrepancy and amend all subsequent reports(s) that may be affected by the correction. (2 U.S.C. §434)(b)(7))

-Your report contains financial activity disclosed on a previous report. Overlapping coverage dates create difficulties in tracking the committee's cash flow. Please amend this report to include only the financial transactions that occurred between 11/23/04 and 12/31/04. (2 U.S.C. §434(b))

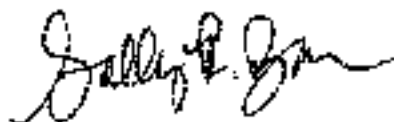
-Schedule B for Line 19(a) discloses a loan repayment to Mary Jo Small. However, the original loan has not been disclosed on your current or previous reports. Each person who makes a loan to your committee, or to the candidate acting as an agent of the committee, must be itemized on Schedule A and Schedule C. The itemization on Schedule A must include the person's full name, mailing address and zip code, along with the name of his/her employer, his/her occupation, the date of the contribution/loan

and the election cycle-to-date amount of contributions made by the person. Schedule C must include any endorser or guarantor of the loan, the date the loan was made and all other terms of the loan. If the loan is from the candidate, you must indicate whether it is from his/her personal funds, or was obtained by the candidate from a bank loan, brokerage account, credit card, home equity line of credit or other line of credit. (11 CFR §104.3(a)(4)(iv)) Please amend your report(s) or the applicable prior report(s) to disclose the original loan on Schedules A, C, and C-1 (if necessary) or to otherwise clarify the circumstances regarding this apparent discrepancy.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

A written response or an amendment to your original report(s) correcting the above problems should be filed with the Senate Public Records Office. Please contact the Senate Public Records Office at (202) 224-0322 for instructions on how and where to file an amendment. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1173.

Sincerely,



Sally R. Bacon
Senior Campaign Finance Analyst
Reports Analysis Division

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